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Laura Bateman
Carolinas Rates & Regulatory Strategy
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August 29, 2013

Jocelyn Boyd
Chief Clerk and Administrator
Public Service Commission of South Carolina
Post Office Drawer 11649
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29211

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SC PUBLIC SERVICE
COMMISSION

Dear Ms. Jocelyn Boyd:

Enclosed is the quarterly report of Duke Energy Carolinas, LLC for the twelve months ending June 30, 2013.

Please feel free to call me at (919) 546-3324 if you have any questions.

Sincerely,

Laura Bateman
Carolinas Rates & Regulatory Strategy
Duke Energy

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Enclosure

cc: Mr. Dukes Scott
Executive Director
Office of Regulatory Staff

Mr. John Flitter
Director, Electric & Gas Regulation
Office of Regulatory Staff

CERTIFICATION

(Certification must be signed by the Chief Executive Officer and the Chief Financial Officer)

I, Clark S. Gillespy, state and attest, under penalty of perjury, that the attached South Carolina Quarterly Report is filed on behalf of Duke Energy Carolinas, LLC, as required by the Public Service Commission of South Carolina; that I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

Clark S. Gillespy
Signature of President

Clark S. Gillespy
Typed or Printed Name of Person Signing

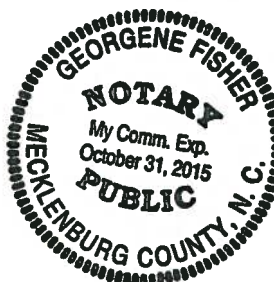
State President, Duke Energy South Carolina
Title

August 26, 2013
Date Signed

Subscribed and sworn to before me this 26 day of August, 2013.

Georgene Fisher
Notary Public

My Commission Expires: Oct. 31, 2015



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CERTIFICATION

(Certification must be signed by the Chief Executive Officer and the Chief Financial Officer)

I, James D. Wiles, state and attest, under penalty of perjury, that the attached South Carolina Quarterly Report is filed on behalf of Duke Energy Carolinas, LLC, as required by the Public Service Commission of South Carolina; that I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

James D. Wiles
Signature of Person Making Verification

James D. Wiles
Typed or Printed Name of Person Signing

Director Regulated Accounting
Title

August 26, 2013
Date Signed

Subscribed and sworn to before me this 26 day of August, 2013.

Kim V. Beal
Notary Public

My Commission Expires: October 24, 2014

Line No.	Description	Total Company	Allocation Factors	South Carolina Retail		
		Per		Accounting	As	
		Books (Col. 1)		Books (Col. 2)	Adjs (a) (Col. 3)	Adjusted (Col. 4)
1	Electric Operating Revenue	\$ 6,877,107	23.3757%	\$ 1,607,572	\$ (1,159)	\$ 1,606,413
2	Electric Operating Expenses:					
3	Operation and Maintenance:					
4	Fuel Used in Electric Generation	1,684,331	24.8227%	418,096	(1,015)	417,081
5	Purchased Power and Net Interchange	317,653	25.0881%	79,693	(229)	79,464
6	Wages, Benefits, Materials, etc.	2,012,252	23.7378%	477,665	(967)	476,698
7	Depreciation and Amortization	921,145	24.3933%	224,698	29,932	254,630
8	General Taxes	374,737	19.4657%	72,945	6,495	79,440
9	Interest on Customer Deposits	6,896	11.6879%	806	(1)	805
10	Income Taxes	446,690	20.1576%	90,042	(15,173)	74,869
11	Amortization of Investment Tax Credit	(5,349)	24.4345%	(1,307)	6	(1,301)
12	Total Electric Operating Expenses	5,758,355	23.6637%	1,362,638	19,048	1,381,686
13	Operating Income	\$ 1,118,752	21.8935%	\$ 244,934	\$ (20,207)	\$ 224,727
14	Add: Customer Growth Adjustment				933	933
15	Income for Return			\$ 244,934	\$ (19,274)	\$ 225,660
16	Original Cost Rate Base (b)			\$ 3,916,101	\$ (1,617)	\$ 3,914,484
17	Rate of Return on South Carolina Retail Rate Base			6.25%		5.76%

Notes: (a) From Page 3, "Total Adjustments" line.

(b) From Page 4, Line 12.

Line No.	Description	Total Company Capitalization		Per Book Embedded		South Carolina Retail		Pro Forma Embedded	
		June 30, 2013		Cost/		Operating		Cost/	
		Amount (Col. 1)	Ratio (Col. 2)	Retail Rate Base (Col. 3)	Return % (Col. 4)	Income (Col. 5)	Retail Rate Base (Col. 6)	Return % (Col. 7)	Operating Income (Col. 8)
1	Long-Term Debt	\$ 8,333,588	45.30%	\$ 1,773,994	5.24%	\$ 92,957	\$ 1,773,261	5.24%	\$ 92,919
2	Preferred Stock	-	0.00%	-	0.00%	-	-	0.00%	-
3	Members' Equity	10,063,368	54.70%	2,142,107	7.09%	151,977	2,141,223	6.20%	132,741
4	Total	\$ 18,396,956	100.00%	\$ 3,916,101 (a)		\$ 244,934 (b)	\$ 3,914,484 (c)	(e) (f) (g)	\$ 225,660 (d)

Notes: (a) From Page 4, Line 12, Column 2.

(b) From Page 1, Line 15, Column 2.

(c) From Page 4, Line 12, Column 4.

(d) From Page 1, Line 15, Column 4.

(e) If adjusted for weather, this rate would be 6.10%.

(f) Includes pre-tax non-firm wholesale sales profits for the total system of approximately \$2 million for the 12 months ended 06/30/13.
Net of tax South Carolina Retail allocation of profits amounts to approximately \$0 million.

(g) Includes net of tax Progress merger costs to achieve of approximately \$23 million.

Line No.	Description	Electric Operating Revenue (Col. 1)	Fuel Used in Electric Generation (Col. 2)	Purchased Power and Net Interchange (Col. 3)	Wages Benefits Materials Etc. (Col. 4)	Depreciation and Amortization (Col. 5)	General Taxes (Col. 6)	Interest on Customer Deposits (Col. 7)	Income Taxes (Col. 8)	Amortization of ITC (Col. 9)	Net Operating Income (Col. 10)
1	To Annualize Depreciation on Year-End Plant	\$ -	\$ -	\$ -	\$ -	\$ 21,737	\$ -	\$ -	\$ (8,507)	\$ -	\$ (13,230)
2	To Annualize Wage Rate Increase	-	-	-	510	-	401	-	(357)	-	(554)
3	To Annualize Property Taxes on Year-End Plant	-	-	-	-	-	5,291	-	(2,071)	-	(3,220)
4	To Reflect CWP Closings to Plant	-	-	-	-	6,837	1,040	-	(3,083)	-	(4,794)
5	To Adjust Income Taxes to Reflect Interest Synchron	-	-	-	-	-	-	-	(1,441)	-	1,441
6	To Annualize Amortization of Buck and Bridgewater Deferred Costs	-	-	-	-	2,073	-	-	(811)	-	(1,262)
7	To Exclude Greenwood Operations	(1,159)	(1,015)	(229)	(1,477)	(715)	(237)	(1)	1,097	6	1,412
8	Total Adjustments	\$ (1,159)	\$ (1,015)	\$ (229)	\$ (967)	\$ 29,932	\$ 6,495	\$ (1)	\$ (15,173)	\$ 6	\$ (20,207)

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Electric Plant In Service	\$ 32,629,765		\$ 7,434,686	\$ 218,458	\$ 7,653,144
2	Less: Accumulated Depreciation and Amortization	(13,188,936)		(2,970,706)	(28,574)	(2,999,280)
3	Net Electric Plant	19,440,828		4,463,980	189,884	4,653,864
4	Add: Materials and Supplies	1,074,970		260,236	(50,211)	210,025
5	Working Capital Investment	1,218,908		275,720	-	275,720
6	Plant Held for Future Use	7,065	46.1396%	3,260	-	3,260
7	Less: Accumulated Deferred Taxes	(4,631,771)	23.5561%	(1,091,065)	(13,370)	(1,104,435)
8	Operating Reserves	(219,145)	40.0210%	(87,704)	-	(87,704)
9	Customer Deposits	(113,081)		(25,158)	-	(25,158)
10	Greenwood				(11,088)	(11,088)
11	Construction Work In Progress	496,335		116,832	(116,832)	-
12	Total Original Cost Rate Base	\$ 17,274,110		\$ 3,916,101	\$ (1,617)	\$ 3,914,484

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Production	\$ 17,986,081		\$ 3,954,164	\$ 125,884	\$ 4,080,048
2	Transmission	2,933,964		538,276	18,363	556,639
3	Distribution (b)	9,407,262		2,380,316	33,067	2,413,383
4	General	763,098		182,011	9,645	191,656
5	Intangible	475,608		111,858	31,499	143,357
6	Subtotal	31,566,013	22.7036%	7,166,625	218,458	7,385,083
7	Nuclear Fuel	1,063,752	25.1996%	268,061		268,061
8	Total Electric Plant in Service	\$ 32,629,765 (a)		\$ 7,434,686	\$ 218,458	\$ 7,653,144

Notes: (a) Excludes asset retirement obligations, electric plant held for future use, electric plant acquisition adjustments, and other electric plant adjustments of (\$87,386) thousand; includes investment in Appendix J Program Owners's Group (APOG) of \$542 thousand.
(b) The accounting adjustment in Col. 3 reflects plant in service additions not related to customer growth.

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Production	\$ 6,692,562		\$ 1,354,297	\$ 24,034	\$ 1,378,331
2	Transmission	1,241,032	18.3640%	227,903	982	228,885
3	Distribution	4,100,029		1,088,803	480	1,089,283
4	General	222,263	31.7942%	70,667	2,095	72,762
5	Intangible	364,484	23.5288%	85,759	983	86,742
6	Subtotal	12,620,370	22.4037%	2,827,429	28,574	2,856,003
7	Nuclear Fuel	568,566	25.1996%	143,277		143,277
8	Total Accumulated Depreciation and Amortization	\$ 13,188,936 (a)		\$ 2,970,706	\$ 28,574	\$ 2,999,280

The annual composite rates for computing depreciation (straight-line method) are shown below.

9	Steam Production Plant	3.76%
10	Steam Production Plant-Specific	14.73%
11	Nuclear Production Plant (Excl. Nuclear Decommissioning)	2.72%
12	Hydro Production Plant	1.87%
13	Combustion Turbine Production Plant	2.97%
14	Solar Production Plant	2.97%
	Transmission Plant:	
15	Right-of-Way	1.30%
16	Other	2.12%
17	Distribution Plant	2.22%
18	General Plant	Various
19	Intangible Plant	20.00%

Note: (a) Excludes accumulated amortization of electric plant acquisition adjustment and accumulated depreciation related to asset retirement obligations totaling \$74,524 thousand and reclassifies cost of removal and other deferred credits to increase accumulated depreciation by \$1,638,530 thousand.

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
Fuel Stock:						
1	Coal	\$ 460,067	25.1996%	\$ 115,935	\$ (50,211)	\$ 65,724
2	Oil	38,976	25.1996%	9,822	-	9,822
3	Total Fuel Stock	499,043	25.1996%	125,757	(50,211)	75,546
4	Other Electric Materials and Supplies & Stores Clearing	575,927	23.3500%	134,479	-	134,479
5	Total Materials and Supplies	\$ 1,074,970		\$ 260,236	\$ (50,211)	\$ 210,025

Note: (a) Adjustment to per book coal inventory balance to reflect target inventory level.

Coal Inventory Target Level (in tons)	2,675		
Price per Ton - Coal	\$ 97.50		
Total Company Pro Forma Inventory	\$ 260,813	25.1996%	65,724
Per Book Coal Inventory			115,935
Coal Adjustment			\$ (50,211)

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Twelve Months Operating and Maintenance Expenses, Exclusive of Purchased Power and Nuclear Fuel Expense	\$ 3,484,193		\$ 842,135	-	\$ 842,135
2	1/8 of O&M Expenses on Line 1	\$ 435,524		\$ 105,267		\$ 105,267
3	Less: Average Taxes Accrued	(28,098)		(17,014)	-	(17,014)
4	Subtotal	407,426		88,253	-	88,253
5	Required Bank Balances	340	23.4513%	80	-	80
6	Bond Reacquisition Premiums	104,071	16.2850%	16,948	-	16,948
7	Pension Funding	676,590	23.8713%	161,511	-	161,511
8	Prepayments	30,481	29.2897%	8,928	-	8,928
9	Total Working Capital Investment	\$ 1,218,908		\$ 275,720	\$ -	\$ 275,720

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Production	\$ 1,036,180	23.7825%	\$ 246,429	\$ -	\$ 246,429
2	Transmission	130,796	18.3229%	23,966	-	23,966
3	Distribution	64,838	25.3037%	16,406	-	16,406
4	General	23,520	23.8533%	5,610	-	5,610
5	Intangible	368,209	23.5362%	86,662	-	86,662
6	Total Construction Work in Progress	<u>\$ 1,623,543</u>		<u>\$ 379,073</u>	<u>\$ -</u>	<u>\$ 379,073</u>

Line

No. Description

Twelve Months Ended 30-Jun-2013

1	SEC Fixed Charges Coverage	3.67
2	Earnings per Share	\$2.79

Line No.	Description	Total Company (a)	Wholesale Jurisdiction (b)	% of Total (c)	N.C. Retail (d)	% of Total (e)	S.C. Retail (f)	% of Total (g)
<u>Operating Revenues (\$000s)</u>								
1	Residential	\$ 2,731,598			\$ 2,116,551	77.4840%	\$ 615,047	22.5160%
2	Commercial	2,178,429			1,739,573	79.8545%	438,856	20.1455%
3	Industrial	1,169,280			742,261	63.4802%	427,019	36.5198%
4	Public Street & Highway Lighting	44,383			37,873	85.3322%	6,510	14.6678%
5	Interdepartmental	-			-	0.0000%	-	0.0000%
6	Sales for Resale:							
7	Special Contract	342,904	\$ 331,594	96.7017%	9,612	2.8031%	1,698	0.4952%
8	Other	-	-	0.0000%	-	-	-	-
9	Joint Dispatch	95,344	6,258	6.5639%	65,013	68.1881%	24,072	25.2480%
10	Mitigation	18,611	\$ 18,611	100.0000%	-	-	-	-
11	Total Revenue from Sales of Electricity	\$ 6,580,549	\$356,463	5.4169%	\$ 4,710,884	71.5880%	\$ 1,513,202	22.9951%
<u>Kilowatthour Sales (000s)</u>								
12	Residential	27,240,809			20,887,813	76.6784%	6,352,997	23.3216%
13	Commercial	27,633,170			22,043,824	79.7731%	5,589,347	20.2269%
14	Industrial	20,847,980			12,292,406	58.9621%	8,555,575	41.0379%
15	Public Street & Highway Lighting	291,578			249,375	85.5260%	42,203	14.4740%
16	Interdepartmental	-			-	0.0000%	-	0.0000%
17	Sales for Resale:							
18	Special Contract	5,733,418	5,544,313	96.7017%	160,713	2.8031%	28,392	0.4952%
19	Other	-	0	0.0000%	-	-	-	-
20	Joint Dispatch	2,460,016	161,473	6.5639%	1,677,438	68.1881%	621,105	25.2480%
21	Mitigation	773,578	773,578	100.0000%	-	-	-	-
22	Total KWH Sales	84,980,550	6,479,364	7.6245%	57,311,569	67.4408%	21,189,618	24.9347%
<u>Revenue Per KWH Sold (Cents)</u>								
23	Residential	10.03			10.13		9.68	
24	Commercial	7.88			7.89		7.85	
25	Industrial	5.61			6.04		4.99	
26	Public Street & Highway Lighting	15.22			15.19		15.43	
27	Interdepartmental	0.00			0.00		0.00	
28	Sales for Resale:							
29	Special Contract	5.98	5.98					
30	Other	0.00	0.00					
31	Total Revenue per KWH Sold	7.74	5.50					